

§ 213.1

(e) Owners of smaller projects or partially assisted projects with few subsidized units and CAs that administer no more than one project that determine that the purchase of hardware and/or software is not cost effective may contract out the electronic data transmission function to organizations that provide such services, including, but not limited to the following organizations: local management agents, local management associations and management agents with centralized facilities. Owners of multiple projects may centralize the electronic transmission function. However, owners that contract out or centralize the electronic transmission function are required to retain the ability to monitor the day-to-day operations of the project at the project site and be able to demonstrate that ability to the relevant HUD field office.

[58 FR 61022, Nov. 19, 1993, as amended at 59 FR 43475, Aug. 24, 1994]

PART 213—COOPERATIVE HOUSING MORTGAGE INSURANCE

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213.501 Savings clause.

AUTHORITY: 12 U.S.C. 1715b, 1715e; 42 U.S.C. 3535(d).

SOURCE: 36 FR 24553, Dec. 22, 1971, unless otherwise noted.

Subpart A—Eligibility Requirements—Projects

§ 213.1 Eligibility requirements.

The eligibility requirements set forth in 24 CFR part 200, subpart A, apply to multifamily project mortgages insured under section 213 of the National Housing Act (12 U.S.C. 1715e), as amended.

[61 FR 14405, Apr. 1, 1996]

Subpart B—Contract Rights and Obligations—Projects

§ 213.251 Cross-reference.

(a) All of the provisions of subpart B, part 207 of this chapter covering mortgages insured under section 207 of the National Housing Act, apply with full force and effect to mortgages insured under section 213 of the National Housing Act, except the following provisions:

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- 207.251 Definitions.
- 207.252 First, second, and third premiums.
- 207.254 Form of endorsement.

(b) For the purposes of this subpart, all references in part 207 of this chapter to section 207 of the National Housing Act shall be deemed to refer to section 213 of the Act, and all references in part 207 of this chapter to the General Insurance Fund shall be deemed to refer to the Cooperative Management Housing Insurance Fund in cases involving mortgages which are the obligation of the Cooperative Management Housing Insurance Fund.

(c) The provisions of §§ 207.255, 207.256, 207.257, 207.261, 207.262 and 207.263 of this chapter shall apply to supplementary loans insured under section 213(j) of the Act. In connection with the foregoing provisions the terms *mortgagor*, *mortgagee*, *mortgage* shall be construed to mean *borrower*, *lender*, and *supplementary loan*, including required security instrument.

(d) Where the provisions of this subpart are applicable to supplementary loans, the terms *mortgagor*, *mortgagee*, *mortgage*, shall be construed to mean *borrower*, *lender*, and *supplementary loan*, including required security instrument.

(e) Where the provisions of this subpart are applicable to operating loss loans, the terms *mortgagor*, *mortgagee* and *mortgage* shall be construed to mean *borrower*, *lender* and *operating loss loan*, including required security instrument, respectively.

[36 FR 24553, Dec. 22, 1971, as amended at 37 FR 8662, Apr. 29, 1972]

§ 213.252 Definitions.

The definitions contained in § 213.1 shall apply to this subpart and in addition the following terms shall have the meaning indicated.

(a) *Contract of Insurance* means the agreement evidenced by endorsement of the credit instrument by the Commissioner or his duly authorized representative and includes the terms, conditions and provisions of this subpart and of the National Housing Act.

(b) *Insured mortgage* means a mortgage which has been insured by the endorsement of the credit instrument by the Commissioner.

(c) *Mortgage* means such a first lien upon real estate and other property as is commonly given to secure advances on, or the unpaid purchase price of,

real estate under the laws of the State, district or territory in which the real estate is located, together with the credit instrument or instruments, if any, secured thereby. In any instance where an operating loss loan is involved, the term shall include both the original mortgage and the instrument securing the operating loss loan.

(d) *Mortgagee* means the original lender under a mortgage, its successors and such of its assigns as are approved by the Commissioner, and includes the holders of the credit instruments issued under a trust indenture, mortgage or deed of trust pursuant to which such holders act by and through a trustee therein named.

(e) *Mortgagor* means the original borrower under a mortgage and its successors and such of its assigns as are approved by the Commissioner.

(f) *Project Mortgage* means a blanket mortgage insured under section 213 of the Act, covering a group of not less than five single-family dwellings.

§ 213.253 Premiums upon initial endorsement.

(a) *Management and Sales Types and Investor Sponsored Projects.* The mortgagee, upon the initial endorsement of the mortgage for insurance, shall pay to the Commissioner a first mortgage insurance premium equal to one-half of one percent of the original face amount of the mortgage.

(b) *Purchasing cooperatives.* The provisions of paragraph (a) of this section do not apply to the mortgage or a purchasing nonprofit cooperative housing corporation or trust where such mortgage is endorsed for insurance pursuant to the sale of an Investor Sponsored Project to such purchasing nonprofit cooperative housing corporation or trust.

(c) *Existing Construction.* The provisions of paragraph (a) of the section shall apply to a mortgage covering Existing Construction which involves insurance of advances for Commissioner approved or required repairs, improvements, alterations and additions.

(d) *Operating loss loans and supplementary loans.* The provisions of paragraph (a) of this section shall apply to